

CENTRAL INTELLIGENCE AGENCY

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SUBJECT Israel MTM (Barchini) and SMA (Siluranti) Program

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Director of Central Intelligence to the
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SUPPLEMENT TO
REPORT NO.

1. During the period 15 September 1948 - 15 January 1949, the State of Israel is known to have acquired 30 MTMs (Barchini) from Italy. These were purchased from Ing. Guido Cattaneo of the Cabi firm in Milan through an intermediary, Agostino Calosi, the former Chief of Italian Naval Intelligence. The Cabi firm acquired these vessels from ARAR (Italian Government sponsored agency for the sale of war surplus goods). Calosi is reported to be employed by the State of Israel in Italy as a Navy consultant at 100,000 lire per month plus expenses.
2. The Cabi firm has been supplying the Italian Navy with MTMs and SMAs since 1936-1937. The MTM is a small explosive head one-man motor boat. When in striking range of target, the rear half is released and provides a life raft for the operator, while the remainder of the boat continues to the target. The SMA is a motor boat of fair size carrying two small torpedoes. The Cabi plant was doubled in size under Navy contract in 1941. After 1943 production continued on German and Republican Fascist orders with relatively large undelivered stocks on hand at the time of the Armistice in 1945. Under an order of the Allied forces all weapons of this kind in Italy were gathered together for sale at ARAR from the following: Baglietti, Siai, Cabi, Cranchi Brothers Boat Builders at Cadenabbia, and the Baroni Company at Stresa.
3. Since August 1948, when sales of ARAR stocks began, to 11 December 1948, 259 assault weapons have been sold composed of 193 MTMs and 66 SMAs. The following were the chief purchasers:

- a. Dr. Ettore Rastelli, via Giordano Bruno 1, Rimini - 52 MTMs and 2 SMAs.
- b. Vittorio and Gustavo Voltolini, Via Sinistra Porto 106, Rimini - 79 MTMs and 25 SMAs. Document No. NO CHANGE in Ca
- c. Cabi, Milan - 44 MTMs, 25 SMAs. DECLASSIFIED

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4. The first purchases of these weapons were made by the Israeli representative, Ilin (fnu), Piazza S. Maria Deltrade No. 4, Milan through Calosi, as mentioned above. The payments were made in lire directly to the Bank of Naples, one of whose directors is an Israeli bank consultant. The price paid was 1,400,000 per unit. Thus far four lots have been purchased and deliveries have been made of the first three lots. The first lot was composed of nine MTMs and one motor boat; the second, ten MTMs; the third lot, ten MTMs. Ten MTMs were to be consigned on 15 January 1949. All these deliveries took place under a regular export permit for civilian motor boats.
5. Israel's MTMs were first used in the Gaza operations against the Egyptian Navy. Of five units employed, two struck the Egyptian vessel KING FAROUK, one struck an Egyptian corvette and two went aground. After the sinking of Egyptian vessels, the Egyptians began purchasing operations with Cattaneo through Rhodi Rigela via Vate Bene Fratelli 18, Milan. Payments in lire were made via the Bank of Sicily, one of whose directors is an Arab consultant. Thus far the Egyptians have secured delivery of three SMAs and two MTMs from Cabi and have placed an order for three SMAs from Baglietti. These export transactions took place under regular permit. Within the last six months the Egyptians have hired an Italian Mezzi d'Assalto expert, Pagiolla (fnu).
6. The Chief of the Israeli MTM program is reported to be Capriotti (fnu), a former Italian Naval non-commissioned officer, who since late October 1948 has established a well equipped training base on Lake Tiberius. Capriotti now reportedly holds the position of Vice Chief of Staff of the Israeli Navy.

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